

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER	<input type="checkbox"/>	DATE	<u>August 07, 2013</u>
MOTOR CARRIER MATTER	<input type="checkbox"/>	DOCKET NO.	<u>2005-385-E</u>
UTILITIES MATTER	<input checked="" type="checkbox"/>	ORDER NO.	<u>2013-589</u>

THIS DIRECTIVE SHALL SERVE AS THE COMMISSION'S ORDER ON THIS ISSUE.

SUBJECT:

DOCKET NO. 2005-385-E - Petition of the Office of Regulatory Staff to Establish Dockets to Consider Implementing the Requirements of Section 1251 (Net Metering and Additional Standards) of the Energy Policy Act of 2005 - Discuss this Matter with the Commission.

COMMISSION ACTION:

Motion attached.

PRESIDING:
Hamilton

SESSION: Regular

TIME: 2:00 p.m.

	MOTION	YES	NO	OTHER
FLEMING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HOWARD	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
RANDALL	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Absent</u>
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
VACANT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>

Attending Camp NARUC in Michigan

(SEAL)

RECORDED BY: J. Schmieding



UTILITIES AGENDA MOTION

Petition of the Office of Regulatory Staff to Establish Dockets to Consider Implementing the Requirements of Section 1251 (Net Metering and Additional Standards) of the Energy Policy Act of 2005 Docket No. 2005-385-E Item No. 3

AUGUST 7, 2013

This docket was opened in 2005. Since that time, the Commission's proceedings regarding the implementation of net metering standards have been extensive, inclusive, and beneficial to a thorough consideration of the relevant issues and viewpoints of all parties. Prior to our implementation of net metering, we held three meetings and hearings in the matter, and one additional hearing since that time:

1. We held the first hearing on May 15, 2007, in which we decided to implement net metering standards and directed the companies to file tariffs implementing those standards. Further, out of our concern that net metering might be unduly constrained by the absence of a non-demand sensitive rate, we instructed each utility to explore the feasibility of an alternative tariff which would give net metering customers the option of purchasing their power on a so called "flat rate" plan.

2. We held a meeting on February 14, 2008, because we had concerns that the subsequently proposed tariffs were not easily understandable to the public, and as a result of that meeting, the companies agreed to devise summaries of their net metering rates which would be easier to understand for prospective net metering customers.

3. We held a second hearing on May 15, 2008, at the request of certain intervenors who wished to be heard on the proposed tariffs, and subsequently directed the utilities to make net metering plans available to their customers no later than July 1, 2008.

In the course of that process, we were able to address a number of the concerns that were brought to our attention by advocates of net metering, as well as our own. Specifically, it resulted in clearer explanations of the net metering tariffs available to the public, whether through documents, web sites, or utility customer service personnel. The Commission also was able to address the concerns of those customers who did not want to be forced to abandon a flat rate plan for a time of use plan with a demand component if they wanted to participate in net metering.

On June 30, 2009 the Commission held another hearing to carry out a review of the net-metering programs to determine whether changes to the net-metering programs were warranted. In that hearing, a Settlement Agreement was presented and accepted based on a document prepared pursuant to South Carolina Act 404/Joint Resolution, H.3395, enacted May 13, 2008, which required ORS and the South Carolina Energy Office to produce a Net Metering Report.

As a result of that hearing, the Commission issued a further order which among other things, required the utilities to standardize the net metering program structure for uniformity among the three Companies, providing them to the Commission for review and approval, required that the flat rate option for residential customers be modified to reflect 1:1 standard retail rates for excess energy credits; and required that stand-by charges for residential customers be eliminated. It also stated that the net metering process and recommendations may be reviewed within four years.

Now once again, there has been great interest in this docket since this Commission's decision in April to request that the parties report to the Commission on the status of their net metering and smart metering programs. Since that time, many proposals have been made as to how best to brief the Commission. In June, this Commission decided to schedule a workshop to gather this information.

In response, the Commission received several letters and emails. One letter, submitted by the Electric Cooperatives of South Carolina (ECSC), observed that this docket deals with complex energy issues that will raise challenges affecting the long term direction of distributed generation and perhaps distributed energy storage in South Carolina. Further, it informed the Commission that the Public Utility Review Committee (PURC), Energy Advisory Committee (EAC), is currently considering, at PURC's request, very specific questions that address these important issues. PURC has asked the EAC for feedback prior to December 31, 2013.

ECSC believes legislation is necessary to address the broader question of how distributed generation/storage impacts our current regulatory methodology, and observes that the question is much broader than net metering as originally set forth in this 2005 docket. ECSC states that we are entering a period of dynamic change which will require close coordination between stake holders, the General Assembly, and Regulators.

For that reason, ECSC has requested that the workshop be deferred until PURC accepts the Energy Advisory Report, or in the alternative that the workshop

be limited to informational purposes only. The Office of Regulatory Staff (ORS) has submitted correspondence stating that it supports the ECSC's recommendations but favors the deferral of the workshop until such time as PURC accepts the Energy Advisory Report.

For the reasons put forth by the ECSC and the ORS, I move that we suspend the schedule in this docket and await the work of the EAC and the PURC's acceptance of the Energy Advisory Report. I believe the needed close coordination between stake holders, the General Assembly, and Regulators as allowed by law would be frustrated in the absence of such a deferral.

However, as pointed out by the South Carolina Coastal Conservation League in its letter dated August 6, and as echoed by several public comment emails to our Chief Clerk, there is no reason to wait until 2014 to "begin collecting data on the performance of net metering programs in South Carolina." Actually, the Commission has been collecting data each year regarding the South Carolina net metering programs, as evidenced by our extensive hearing history in this docket, as well as the annual reports which were required pursuant to our 2009 Order. As I noted before, in that same Order the Commission stated that the net metering process and recommendations may be reviewed within four years.

Therefore, I think it is an appropriate time for the parties in this docket to provide a written assessment of their experience with net metering in the four years since we last implemented changes to the program. I move that the parties to this docket provide a written assessment of their experience with the net metering programs in South Carolina. While they are welcome to address the whole period since the inception of this docket, I believe the assessments should be with a focus on the last four years of implementation of net metering, and should include analysis of information from the annual reports. The assessments shall be due September 30, 2013.